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No. 88-985

IN THE

Supreme Court of the United States

OCTOBER TERM, 1988

TECHNOGRAPH LIQUIDATING TRUST,
Petitioner,

v.

GENERAL MOTORS CORPORATION,
Respondent.

RESPONDENT GENERAL MOTORS' OPPOSITION TO PETITION FOR A WRIT OF CERTIORARI

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QUESTION PRESENTED
(Affirmatively Stated)

This Court's guidelines in *Christianson v. Colt Industries Operating Corp.*, 108 S.Ct. 2166 (1988) were faithfully followed by the United States Court of Appeals for the Third Circuit after this case was remanded for reconsideration. The transfer ruling of the Federal Circuit was correct. At the least it was the law of the case, "plausible" and not "clearly erroneous". (108 S.Ct. 2178-79). This Court explicitly ruled in *Christianson* that application of the law of the case doctrine "will obviate the necessity for us to resolve every marginal jurisdictional dispute".

The jurisdictional dispute here was marginal since, unlike *Christianson*, all issues arising under the patent laws were finally adjudicated prior to the creation of the Federal Circuit in October 1982. There will never again be a pending case in which all patent issues were finally decided before October 1982, so no precedent would be established by a Supreme Court ruling.

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Statement of the Case

A

This case has been pending since 1956. It involved a patent which expired twenty years ago. There have been three separate trials (validity - infringement - accounting); five appeals and ten petitions for certiorari.

The Third Circuit had heard and decided the following appeals in this case before the Federal Circuit was established:

1. *Devex Corp. v. General Motors Corp.*, 467 F.2d 257 (3rd Cir. 1972), cert. denied, 411 U.S. 973 (1973) decided patent infringement issues.[1]

2. *Devex Corp. v. General Motors Corp.*, 667 F.2d 347 (3rd Cir. 1981) affirmed the District Court's "Final Judgment" awarding over $8.8 million for bumper part infringements, over $11 million in prejudgment interest and denying damages relating to non-bumper parts. Certiorari was granted on the prejudgment interest issue and the Third Circuit's decision was affirmed by this Court, *General Motors Corp.* v. *Devex Corp.*, 461 U.S. 648 (1983). Certiorari was denied Technograph[2] on the non-bumper part damages issue, 456 U.S. 988 (1982).

After the Federal Circuit was established in October of 1982, non-patent issues dealing with interest were decided by the Third Circuit in *Devex Corp. v. General Motors Corp.*, 749 F.2d 1020 (3rd Cir. 1984) cert. denied 106 S.Ct. 68 (1985), Technograph *conceded* in one of its earlier petitions for certiorari that the Third Circuit had jurisdiction over this 1984 appeal because "[t]here were no patent law issues involved in the appeal." (Petition in No. 86-1179, p. 5.)

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[1] The trial and appeal of the validity issues were in the U.S. District Court for the Northern District of Illinois and the U.S. Court of Appeals for the Seventh Circuit (*Devex v. General Motors Corp.*, 321 F.2d 234 (7th Cir. 1963), cert. denied, 375 U.S. 971 (1964)). On plaintiff's motion, the case was transferred from Chicago to Delaware in 1965.

[2] Through most of the long history of this case, the caption has been *Devex v. General Motors*. Technograph Liquidating Trust is the only plaintiff who continues to have any interest in this litigation.

B

Early in 1986, Technograph filed a motion in the District of Delaware on the non-patent issue of whether it was entitled to additional interest on the postjudgment interest judgment and the interest on cost judgment that General Motors ("GM") had immediately paid into the District Court in 1983, pending the earlier appeal on these matters to the Third Circuit. Since the District Court supposedly had this tag-end interest issue before it, Technograph also suggested that the District Court should reexamine and reverse the Third Circuit's 1981 final decision on the non-bumper part damages issue. Technograph's motions were denied by the District Court on June 27, 1986.

Technograph appealed from this decision to the Federal Circuit. GM's motion under 28 U.S.C. §1631 to transfer the appeal to the Third Circuit was granted, after full briefing, by the Federal Circuit.

Technograph's motion in the Federal Circuit for reargument of the transfer motion and its suggestion that the motion be reheard *en banc* were each denied. Technograph's motion in the Third Circuit seeking transfer back to the Federal Circuit was also, after full briefing, denied.

The Third Circuit on June 29, 1987 affirmed the decision of the District Court on the merits and Technograph filed a petition for certiorari to review the jurisdictional question.

Fortunately for Technograph, there was another petition for certiorari pending (*Christianson v. Colt Industries Operating Corp.*,) presenting significant issues concerning the jurisdiction of the Federal Circuit.

Since the instant case also dealt with allegations concerning the exclusive jurisdiction of the Federal Circuit, Technograph was successful in its request that this Court hold its petition in abeyance pending a ruling in *Christianson v. Colt*. This Court rendered its decision in *Christianson* on June 17, 1988 and it entered an order in this case on June 27, 1988 granting certiorari, vacating the judgment of the Third Circuit and remanding to the Third Circuit for further consideration in light of *Christianson v. Colt*.

On September 15, 1988 the Third Circuit, after a detailed analysis of *Christianson v. Colt* and the record in this case, reaffirmed its earlier decision on the jurisdictional issue.

Reasons for Denying the Writ

I

This Court's Remand Did Not Prejudge What Action Was To Be Taken By The Third Circuit

The order granting certiorari, vacating the judgment of the Third Circuit and remanding to the Third Circuit for further consideration in light of *Christianson v. Colt Industries Corp.*, was not the equivalent of a summary direction to the Third Circuit to transfer this case back to the Federal Circuit. *Supreme Court Practice Sixth Edition* by Robert L. Stern, Eugene Gressman and Stephen M. Shapiro states:

> "it seems fairly clear that the Court does not treat the summary reconsideration order as the functional equivalent of the summary reversal order, and that the lower court is being

> told to reconsider the entire case in light of the intervening precedent - which may or may not compel a different result." (p.280)

In a supplemental brief filed in this Court a week after the *Christianson v. Colt* decision, Technograph requested this Court to "remand with instructions to transfer the case to the United States Court of Appeals for the Federal Circuit for review on the merits." This request was refused, thereby negating Technograph's repeated arguments that *Christianson* indisputedly dictates a transfer to the Federal Circuit.

II

Christianson v. Colt Did Not Require The Third Circuit To Transfer The Case Back To The Federal Circuit

(a)

In *Christianson*, the Federal Circuit ruled that jurisdiction over the appeal was in the Seventh Circuit, but the Seventh Circuit played "jurisdictional ping pong" and ruled that jurisdiction was in the Federal Circuit (798 F.2d 1051 (7th Cir., 1986); 822 F.2d 1544 (Fed. Cir. 1987)). This Court agreed with the Federal Circuit on the jurisdictional issue and held that the appeal should be in the Seventh Circuit. Here, both the Federal Circuit and the Third Circuit agreed unanimously that the appeal should be in the Third Circuit.

This Court's opinion in *Christianson* deals with the question of when a case arises under a federal patent statute. The jurisdictional issue in the present case is a completely different and unique one, i.e., does the Federal Circuit have exclusive jurisdiction over an appeal where all patent issues were finally determined

by the District Court, the Third Circuit and this Court prior to the creation of the Federal Circuit in October of 1982? As the Third Circuit noted in its September 15, 1988 opinion (A5)*:

> "The procedural chronology of the case before us reveals that all phases disputing actual patent issues had been concluded in the district court, this court, and the Supreme Court by 1982 - before the Federal Circuit came into existence. The Devex patent itself expired in 1969."

This Court in *Christianson* made it clear that, even though "few jurisdictional lines can be so finely drawn as to leave no room for disagreement on close cases", a court to whom a case has been transferred is bound by the principles of law of the case not to retransfer: (a) absent "extraordinary circumstances", (b) unless the decision was "clearly erroneous and would work a manifest injustice", and (c) so long as the decision to transfer was "plausible". (108 S.Ct. at pp2178,79)

Here, both the Federal Circuit and the Third Circuit were in agreement (without any dissenters) that the appeal should be in the Third Circuit. Certainly the unanimous decisions after full briefing of six judges sitting on two different courts of appeal, in a case which is quite different from *Christianson*, at least make the decisions of the Federal and Third Circuits "plausible" and not "clearly erroneous".

The Third Circuit, far from ignoring *Christianson* (Pet. p3), faithfully followed this Court's directions when it held (A6):

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* "A" references are to the Appendix to the Petition.

> "The lengthy history of this litigation and the substantial reasons supporting the Federal Circuit's order, at best, makes this what the Supreme Court characterized as a 'marginal jurisdictional dispute.' Id. at 2179. In that scenario, *the Christianson Court admonished* '*[u]nder law-of-the-case principles, if the transferee court can find the transfer decision plausible, its jurisdictional inquiry is at an end.*' Id."
> (emphasis added)

Furthermore, there is no "manifest injustice" to Technograph since it had full and final consideration of its non-bumper part damages contentions long before the Federal Circuit was established. The "manifest injustice" would be to allow this thirty-two year old case to proceed any longer. The District Court noted in its June 27, 1986 opinion that this litigation "threatens to outlast all human participants" and the Third Circuit's most recent opinion characterizes this case as "almost interminable".

This Court's directive not to place the parties in a "vicious circle of litigation" in which the jurisdictional issues become "a perpetual game of ping-pong" is particularly applicable to this case, as was noted by the Third Circuit (A6).

(b)

The correctness of the rulings of the Federal and Third Circuits here is also shown by Justice Stevens' concurring opinion in *Christianson* in which Justice Blackmun joined. As Justice Stevens noted (108 S.Ct. at p2179):

> "I write separately to emphasize that a common-sense application of Justice Cardozo's dictum requires that the answer to the question whether a claim arises under the patent laws may depend on the time when the question is asked."

Technograph is again seeking to reopen the merits of this case by its attempt to have the appeal transferred to the Federal Circuit. While the decision on the non-bumper part damages issue would most probably be the same in the Federal Circuit as it was in 1981 in the Third Circuit, the interest of justice will not be served if the underlying substantive issues that were finally determined years ago are the subject of still further briefing and arguing. Justice Stevens warned against attempts by plaintiffs "to manipulate appellate court jurisdiction. . ." (108 S.Ct. at p2181). This is precisely what Technograph is up to here.

It is respectfully submitted that the decisions of the Federal Circuit and the Third Circuit that the appeal should be heard in the Third Circuit were correct when rendered, and this Court's decision in *Christianson v. Colt Industries Corp.* does not call for a change in the decisions.

III

The Decision Below Deals With a Set of Facts Which Will Never Again Occur And Is Of No Public Importance

The transfer by the Federal Circuit to the Third Circuit and the Third Circuit's refusal to transfer the case back to the Federal Circuit affects no one but

the parties to this lawsuit and will not serve as precedent for future cases.

The Federal Circuit has been in existence since Oct. of 1982. The factual situation in this case, where appeals on all patent issues were decided by a regional court of appeals prior to 1982 and still further appeals are filed after 1982 will never again occur.

Petitioner suggests that the decision of the Third Circuit "has resulted in a blurring of the bright line standard in *Christianson*. . ." (Pet. p11). But this case is so different from *Christianson* and so moot that it will have absolutely no effect on how people interpret *Christianson*.

The facts of this case do not present this Court with an opportunity to provide lasting guidelines for whether appeals should go to the Federal Circuit or to a regional court of appeals.

IV

The Exclusive Jurisdiction Of The Federal Circuit Did Not Extend To Cases Where All Patent Issues Had Been Finally Decided Before The Federal Circuit Was Established

While the case originally arose under the patent laws, by the time of the June 27, 1986 Order of the District Court, all of these issues had been finally adjudicated. The non-bumper part damages issue was determined by the Special Master, the District Court (which issued a "Final Judgment" on October 6, 1980), and the Third Circuit (which in 1981 affirmed the

"Final Judgment" of the District Court). Petitions for certiorari on the point have been repeatedly denied. It is hard to imagine anything more final. The Federal Circuit did not have exclusive jurisdiction over the appeal in this case since all patent law questions had been finally decided before it came into existence.[3]

As the Federal Circuit held in *Atari, Inc. v. JS&A*, 747 F.2d 1422, 1429 (1984):

> "Achievement of increased uniformity in the substantive law of patents does not require that this court get its hands on every appeal involving an allegation that a patent law issue is somehow involved. . . [A] mere allegation that patent law is involved will not give this court jurisdiction when that of the district court did not rest at least in part on *a continuing* claim arising under the patent. . .laws." (Emphasis added).

In other places in *Atari, Id.*, the Court referred to the need for a "continuing non-frivolous patent claim under §1338" in the district court, for the Federal Circuit to have jurisdiction over an appeal (Id., pp. 1433, 1437). And in *USM Corp. v. SPS Technologies, Inc.*, 770 F.2d 1035, 1036 (Fed. Cir. 1985), the Federal Circuit ruled that it had no jurisdiction over an appeal:

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[3] Petitioner cites (p9) *Central Soya Co. v.. Geo. A. Hormel & Co.*, 723 F.2d 1573 (Fed. Cir. 1983) as an example of a patent case where an appeal was decided by a regional court of appeals and a later appeal went to the Federal Circuit. But in *Central Soya*, contrary to this case, there had not been a final adjudication in the first appeal of all issues arising under the patent statutes.

> ". . .where the Seventh Circuit has finally adjudicated all patent issues and only non-patent issues remain, in a case where the jurisdiction of the district court was originally based, in part, upon 28 U.S.C. §1338(a). . ."

The non-bumper part damages issue which was in this case years ago has not by any realistic standard remained a "continuing, non-frivolous patent claim under §1338".

CONCLUSION

The Third Circuit's September 15, 1988 ruling that *Christianson* v. *Colt* is distinguishable from this case and does not call for a change in its earlier decision is correct. Furthermore, there will never be another pending case in which all patent issues were finally decided prior to the creation of the Federal Circuit in October, 1982. The issues raised in the Petition are without public importance. The Petition should be denied.

Respectfully submitted,

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APPENDIX

APPENDIX A

Pursuant to Supreme Court Rule 28.1 the following information is provided by General Motors Corporation.

General Motors Corporation is not a subsidiary of a publicly owned corporation. All subsidiaries and affiliates of General Motors Corporation are wholly-owned except:

Alambrados Automatrices, S.A. C.V. (Mexico)

Alambrados y Circuitos Electricos, S.A. de C.V. (Mexico)

AMBRAKE Corporation (USA)

Aralmex, S.A. de C.V. (Mexico)

Autos y Maquinas del Ecuador S.A. (AYMESA) (Ecuador)

Cableados de Juarez, S.A. de C.V. (Mexico)

CABLESA-Industria de Componentes Electricos Limitada (Portugal)

Calsonic Harrison Co., Ltd. (Japan)

Compania Nacional de Direcciones Automotrices, S.A. de C.V. (Mexico)

Componentes Delfa, C.A. (Venezuela)

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Conductores y Componentes Electricos, de Juarez, S.A. de C.V. (Mexico)

Convesco Vehicle Sales GmbH (West Germany)

Daewoo Automotive Components, Ltd. (Korea)

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Delco Electronics Corporation (USA)

Delkor Battery Company, Ltd. (Korea)

Delmex de Juarez, S.A. de C.V. (Mexico)

Delredo, S.A. de C.V. (Mexico)

Detroit Deere Corporation (USA)

DHB - Componentes Automotivos S.A. (Brazil)

DHMS Industries, Ltd. (Korea)

DR DE CHIHUAHUA, S.A. de C.V. (Mexico)

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General Motors de Colombia S.A. (Colombia)

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General Motors Egypt, S.A.E. (Egypt)

General Motors Espana, S.A. (Spain)

General Motors (Europe) AG (Switzerland)

General Motors France (France)

General Motors Hellas, A.B.E.E. (Greece)

General Motors Iran Limited (Iran)

General Motors Kenya Limited (Kenya)

General Motors Korea Co., Ltd. (Korea)

General Motors del Peru S.A. (Peru)

General Motors de Portugal, Limitada (Portugal)

General Motors Terex do Brasil Ltda. (Brazil)

GM Allison Japan Limited (Japan)

GM Locomotivas Ltda. (Brazil)

GMFanuc Robotics Coporation (USA)

Hua Tung Automotive Corporation (Rep. of China)

Ilmor Engineering, Ltd. (England)

Industries Mecaniques Maghrebines, S.A. (Tunisia)

Industrija Delova Automobila, Kikinda (Yugoslavia)

INLAN-Industria de Componentes Mecanicos, Lda. (Portugal)

Isuzu Motors Limited (Japan)

Isuzu Motors Overseas Distribution Corp. (Japan)

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Kabelwerke Reinshagen Werk Berlin GmbH (West Germany)

Kabelwerke Reinshagen Werk Neumarkt GmbH (West Germany)

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Motor Enterprises, Inc. (USA)

New United Motor Manufacturing, Inc. (USA)

NHK Inland Corporation (Japan)

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Volvo GM Heavy Truck Corporation (USA)

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1. Anchem Products, Inc. (Union Carbide)
2. Bethlehem Steel Corporation
3. Braun Engineering Company (Masco Corp.)
4. Colt Industries, Inc.
5. LTV Corporation
6. Occidental Petroleum Corp.
7. Pennwalt Corporation
8. Republic Steel Corp.
9. United States Steel Corp.